

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Annual Compliance Report, 2020

Docket No. ACR2020

CHAIRMAN'S INFORMATION REQUEST NO. 16
AND NOTICE OF FILING UNDER SEAL

(Issued February 12, 2021)

To clarify the basis of the Postal Service's FY 2020 *Annual Compliance Report* (ACR), filed December 29, 2020,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than February 19, 2021.

Financial Performance

1. In Library Reference USPS-FY20-2, December 29, 2020 and Library Reference USPS-FY19-2, December 27, 2019, Excel files "FY20Public Cost Segs and Comps.xlsx," and "FY19Public Cost Segs and Comps.xlsx," tabs "CS-11," cells F58 and F59, show that the total volume variable and product specific percentage of total costs of Component 75 Operating Equipment Maintenance decreased by 12.8 percent from FY 2019 and that the Other Cost increased by 91.2 percent for the same period. Please provide a detailed explanation for the increase in Other Costs of Component 75.
2. In Library Reference USPS-FY20-7, December 29, 2020, the Postal Service reported workhours by function for FY 2020. Excel File "LDC.Workhours.FY20.xlsx," tab "3 National Workhour Report" disaggregates workhours by labor distribution code (LDC) Code/Description. Attachment CHIR

¹ United States Postal Service *Annual Compliance Report*, December 29, 2020 (FY 2020 ACR).

No. 16 compares LDC Workhours by Code for “Administration,” “Training,” “Total Sick Leave,” and “Total Overtime” as reported in Library Reference USPS-FY20-7 for FY 2020 and FY 2019. Please explain the change in workhours reported for:

- a. Increase in workhours for LDC Codes 80, 81, and 82 (cells E4, E5, and E6).
- b. Decrease in workhours for LDC Codes 90 and 92 – 98 (cells E23 and E25 – E31).
- c. Please provide the amount or best estimate of the workhours and related dollar amount for “Overtime” (cells E34 - E43).
- d. Please separate the number of workhours and provide the related dollar amount for “Sick Leave” (cells C45 - C54) between: (1) regular sick leave, (2) COVID-19 negotiated sick leave provided to bargaining employees, and (3) sick leave as provided by the Families First Coronavirus Response Act (FFCRA), enacted as Public Law 116-127 (March 18, 2020).

Market Dominant Service Performance

3. Please refer to the Responses of the United States Postal Service to Questions 1-21 of Commission Information Request No. 1, January 15, 2021, question 17 (Response to CIR No. 1) and the United States Postal Service, Office of the Inspector General, Report No. 21-014-R21, Deployment of Operational Changes, November 6, 2020, available at:
<https://www.uspsoig.gov/sites/default/files/document-library-files/2020/21-014-R21.pdf> (OIG Report No. 21-014-R21), describing the Postal Service’s efforts to reduce late and extra trips beginning on July 10, 2020. Please also refer to weekly service performance results for July 11, 2020 through August 8, 2020,

which report that on-time service performance for First-Class Mail Single-Piece Letters and Cards 3-5-Day decreased by 5.51 percentage points.²

- a. Please discuss any correlation and causation between the Postal Service's efforts to reduce late and extra trips beginning on July 10, 2020 and the reported decrease in on-time service performance results.
 - b. Please discuss any correlation and causation between unintended impacts resulting from the Postal Service's efforts to reduce late and extra trips beginning on July 10, 2020 and the reported decrease in on-time service performance results.
 - c. Please discuss what other factors, if applicable, may have negatively impacted on-time service performance results during this time period.
4. Please refer to the Response to CIR No. 1, question 18, the OIG Report No. 21-014-R21, at 7, and Appendix B at 20-22, describing the Postal Service's efforts to reduce overtime in connection with the *Do It Now* efforts during July and August 2020. Please also refer to weekly service performance results for July 11, 2020 through August 8, 2020, which report that on-time service performance for First-Class Mail Single-Piece 3-5-Day decreased by 5.51 percentage points.³
- a. Please discuss any correlation and causation between the Postal Service's efforts to reduce overtime in connection with the *Do It Now* initiative during July and August 2020 and the reported decrease in on-time service performance results.
 - b. Please discuss any correlation and causation between unintended impacts resulting from the Postal Service's efforts to reduce overtime in

² Docket No. ACR2019, Responses of the United States Postal Service to Revised Questions 1-2 of Commission Information Request No. 3, October 7, 2020 (Docket No. ACR2019 Response to CHIR No. 3), Excel file "CIR.3.Oct.7.Wkly.ServPerf.Attachmnt.xlsx," tab "FC Nation."

³ Docket No. ACR2019 Response to CHIR No. 3, Excel file "CIR.3.Oct.7.Wkly.ServPerf.Attachmnt.xlsx," tab "FC Nation."

connection with the *Do It Now* efforts during July and August 2020 and the reported decrease in on-time service performance results.

- c. Please discuss what other factors, if applicable, may have negatively impacted on-time service performance results during this time period.
5. Please refer to the Postmaster General statement issued on August 24, 2020, stating that “[f]irst, I did not direct the removal of blue collection boxes or the removal of mail processing equipment. Second, I did not direct the cut back on hours at any of our post offices. Finally, I did not direct the elimination or any cutback in overtime. I did however suspend these practices, to remove any misperceptions about our commitment to delivering the nation’s election mail.”⁴
- a. Please specify which practices related to the removal of blue collection boxes were suspended in accordance with this statement. For each suspended practice, please identify the date that the suspension became effective and if the practice has been reestablished.
 - b. Please specify which practices related to the removal of mail processing equipment were suspended in accordance with this statement. For each suspended practice, please identify the date that the suspension became effective and if the practice has been reestablished.
 - c. Please specify which practices related to the cut back in hours at any post offices were suspended in accordance with this statement. For each suspended practice, please identify the date that the suspension became effective and if the practice has been reestablished.

⁴ United States Postal Service, Postal News, Oral Statement of Postmaster General Louis DeJoy Before the House Committee on Oversight and Reform, August 24, 2020, available at: <https://about.usps.com/newsroom/national-releases/2020/0824-oral-statement-of-pmg-louis-dejoy-before-the-house-committee-on-oversight-and-reform.pdf>.

- d. Please specify which practices related to the elimination or any cutback in overtime were suspended in accordance with this statement. For each suspended practice, please identify the date that the suspension became effective and if the practice has been reestablished.

Domestic Competitive

6. Please see Attachment, filed under seal.
7. Please see Attachment, filed under seal.
8. Please see Attachment, filed under seal.

By the Chairman.

Michael Kubayanda